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# State of Utah Department of Commerce

Division of Securities

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## NEWS RELEASE

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### **Promoter Ordered to Cease and Desist Real Estate Scam**

***Investor defrauded out of \$16,000 on a claim the money would finish building homes . . .***

**SALT LAKE CITY, Utah** – The Utah Division of Securities today ordered Michael Larry Rasmussen of Salt Lake County to cease taking money from investors based on claims the money would be used to finish some homes under construction in Syracuse. Rasmussen also was ordered to pay a \$30,000 fine to the Division.

The case started October 11, 2006 when the Division issued an Order to Show Cause to Rasmussen accusing him of defrauding an investor out of \$16,000 on a promise the money would be used to finish building homes in Syracuse. Rasmussen promised 20% interest, but never repaid the investor and is not a home builder. The cease and desist order and a \$30,000 fine were imposed by default after Rasmussen failed to respond to the Division's Order to Show Cause and failed to appear at a hearing.

According to the Default Order, in 2005 Rasmussen offered two investors the opportunity to invest in a real estate venture. One investor put in \$16,000. Rasmussen said he was building homes in Syracuse, Utah that were almost finished and he needed the money to complete the homes. He promised a 20% profit to the investor within two months. Rasmussen gave the investor a promissory note promising payment of the invested amount plus profit by September 30, 2005.

In February 2006, Rasmussen gave the investor an official bank check from US Bank for \$30,000 as repayment of the investments, but US Bank refused to pay the official check.

According to the Division, Rasmussen failed to tell the investor that he had \$18,992 in judgments outstanding against him relating to unpaid child support and a divorce. Rasmussen also failed to tell the investor that he was not a licensed contractor. The Division alleges that the unpaid judgments and failing to be licensed as a contractor also means that Rasmussen had no reasonable basis to promise the investor a significant profit.

Investors are encouraged to make sure anyone selling investments is licensed by calling the Division of Securities at (801) 530-6600.